

<https://www.wealthmanagement.com/industry/qa-mike-durbin-ceo-cetera-holdings>



Mike Durbin, CEO of Cetera Holdings

NEWS>INDUSTRY

Q&A: Mike Durbin, CEO of Cetera Holdings

Former Fidelity executive talks about his previous roles, newly created position at Cetera and vision for the future.

Rob Burgess | May 24, 2023

Cetera Holdings, the holding company of Cetera Financial Group, announced last week it had appointed former Fidelity Investments executive Mike Durbin as its new CEO.

On Wednesday, Durbin took the time to speak with *Wealthmanagement.com* about his previous roles at Fidelity, his newly created role at Cetera and what's ahead for the company.

Wealthmanagement.com: Tell us more about your transition in December from head of Fidelity Institutional to senior advisor. What was behind that switch? How, if at all, did that figure into your decision to join Cetera just a few months later?

Mike Durbin: There's not a whole lot to share from back then. It really was a very natural progression for executive leadership at Fidelity, where there

is a history at the firm of moving executives around. I think it's part of the essence of the durable business model and culture of Fidelity. It's fantastic. I have a ton of affection and respect and gratitude for what we were able to do at Fidelity for the 14 years that I was in Fidelity Institutional. Ultimately, I'm in my 33rd year of work post my undergraduate education; all 32 years have been in a reasonably narrow band of brokerage, wealth management and asset management. I was keen to stay within that, because over that arc I've been fortunate to be able to do lots of different things and have many different experiences.

Quite honestly, I've never been more excited about the potential of the industry than right now. Because of some pretty significant secular and cyclical shifts that are underway around what seems to be emerging as winning business models and the strong getting stronger. The secular demand for advice has never been higher in American households. What this broad industry does for a living has never been in greater demand. It's complicated for a U.S. household to prepare for its long-term financial independence through generations. So, when the opportunity to come to Cetera Holdings emerged, boy, it just hit. It really spoke to me because this is a company that has a rich and long history of how it came together. (There is) incredible momentum underway towards what I think is a fantastic platform and value (proposition) to address what I see as this really exciting moment in the broadly defined wealth management ... or financial advisory industry. So, (I am) quite excited about what's going on here and looking forward to doing my part to continue to fuel the momentum that is already underway here. But, at the same time, extraordinarily proud and happy for the team and clients that continue to work with Fidelity Institutional every day. It's a great business, as well.

WM: You're now CEO of Cetera Holdings and a member of the Cetera board of directors. Meanwhile, Adam (Antoniades) will continue to serve as CEO of Cetera Financial Group and as a member of the board of directors. Tell us about that move specifically. This is a role they created specifically for you, correct? What was the thinking behind that?

MD: What we're trying to convey is whether it's internal stakeholders at Cetera, like advisors that are so critical to this company, or external stakeholders ... it's less important about the entity and title. What's most important to convey is: This is a significant investment by Genstar (Capital), and the existing leadership team of Cetera in continuing to drive accelerated growth of the company. My addition to this team is meant to be, first and foremost, a complementary set of skills, experiences and network capabilities to what Adam and the existing leadership team demonstrate day in and day out. Because we all view the future of Cetera as not only

continuing to drive growth in the core, which Adam and the team do extraordinarily well. But also, asking how do we get organized and pick our spots around new markets, adjacent capabilities and new partnerships that we think are really going to take advantage of what I'm trying to project, which is a pretty exciting future for this industry? So, think of this sort of one-two punch as an expression of commitment and growth and also contributing some incremental capacity to pursue new and exciting things beyond what the team may have the day-to-day capacity to do today.

WM: Cetera has experienced a considerable amount of growth recently, including acquiring a minority stake in CCR Wealth Management in October of last year, the retail wealth business of Securian Financial Group in January and a minority stake in Prosperity Advisors in February. That's just in the past few months. What did you think of those moves at the time? Now that you're in your new role, do you foresee further such acquisitions?

MD: Yes, you should expect more news to come out of Cetera. There's no doubt about it. Before I made this decision to come here, I read news stories and coverage ... around all the moves that Cetera's been making, and to me, I could kind of dismiss it as I was sitting in my prior company and role as, "Oh, yeah, yeah, they're sort of bulking up." It's only when I began to engage the Cetera team and Genstar more seriously about this opportunity that I appreciated precisely why these deals are being done. It's a big part of what attracted me here. This is all execution of a very well thought out, multiyear plan to be able to offer this advisor marketplace a growing range of affiliation models that advisors or advisory teams or OSJs can take.

As the team evolves through time or size, or as they're trying to evolve their value proposition, Cetera supports an expanding range of business or affiliation models through which you can work with your clients on a Cetera platform. We call that the wealth hub, there's sort of brand for that, and so you see some of these transactions are reflective of executing against that vision and you'll see more of that. Again, a big part of what attracted me here is, it's very difficult to offer lots of optionality to the financial advisory marketplace, *prima facie*. ... It's really hard to offer optionality and preserve a scale effect of a single platform, and that is what Cetera has underway, which I think is really exciting because there's a lot of dynamism in this industry.

Part of that dynamism is that advisors like their independence. Advisors define independence off a very wide range of attributes and different affiliation models, legal entities, structures and setups. These are all components of what goes into independence and Cetera can support lots of different options there off a single scaled platform. So, we're going to lean into that heavily because I think it's going to really resonate in the market.

WM: With your experience with RIAs at Fidelity, does your hiring in this new role represents a change in how broker/dealers like Cetera want to be perceived?

MD: I don't know if it's a change as much as it is ... as Wayne Gretzky (said,) "We're all skating to where that puck is going." Which, again, there is an undeniable trend underway, which is advisory practices shifting to more advisory-based or fee-based or RIA-like business. So, we need to make sure that our scaled platform is being tuned accordingly to be able to evolve in kind with the advisors that are trying to do that with their practices. There have been existing capabilities here at Cetera to help facilitate that evolution, but there's lots more that we can do to be able to offer up services, products and technologies that allow an increasingly pure RIA or fiduciary-type advisory practice.

WM: Tell me more about your specific visions for Cetera Holdings going forward now that you're in your new role.

MD: It's the continuation of this wealth hub development, which is, let's make sure we're continuing to curate the maximum range of affiliation models that can be offered up and supported at scale. That's point one. Point two is that we will prudently explore new markets, adjacent capabilities and adjacent or complementary partnerships that can sort of augment the core. And then, three, you'll continue to see us release and talk about the core technology and investment product offering we're putting out there, again to help support the wealth hub and the range of affiliation models.

Cetera has done a phenomenal job of investing in its core advisor-facing desktop and consumer set of technology experiences to make sure Cetera is putting the most relevant transactions and data right upfront on that portal or desktop. Focusing on the core transactions of account opening, money movement and trading lets us tap into the vibrant third-party market of fintechs or other product and platform providers and be a really great integration partner, while still controlling the core experience that our advisors and customers are counting on coming through Cetera. So, you're going to continue to see a lot of investment and innovation and news there. ... Because advisors demand being able to integrate solutions that are going to work for what they're trying to do in their market.